

114TH CONGRESS  
2D SESSION

# H. R. 4448

To amend the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 to secure the authority of State and local governments to adopt and enforce measures restricting investment in business enterprises in Iran, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 2016

Mr. DESANTIS (for himself, Mr. LAMBORN, Mr. CRENSHAW, Mr. ROKITA, Mr. SMITH of Texas, Mr. ROHRABACHER, Mr. HARPER, Mr. BISHOP of Michigan, Mr. ROSS, Mr. COLLINS of New York, Mr. DESJARLAIS, Mr. YOHO, Mr. SALMON, Mr. CLAWSON of Florida, Mr. WEBER of Texas, Mr. PERRY, Mr. MEADOWS, Mr. JORDAN, Mr. ZELDIN, Mr. WALKER, and Ms. MCSALLY) introduced the following bill; which was referred to the Committee on Financial Services

---

## A BILL

To amend the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 to secure the authority of State and local governments to adopt and enforce measures restricting investment in business enterprises in Iran, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Sanctions  
5 Against Iranian Terrorism Act”.

1 **SEC. 2. AUTHORITY OF STATE AND LOCAL GOVERNMENTS**  
2 **TO RESTRICT INVESTMENT ACTIVITIES IN**  
3 **IRAN.**

4 (a) **ADDITIONAL AUTHORITY.**—Section 202 of the  
5 Comprehensive Iran Sanctions, Accountability, and Di-  
6 vestment Act of 2010 (22 U.S.C. 8532) is amended as  
7 follows:

8 (1) Subsection (a) is amended—

9 (A) by striking “should support” and in-  
10 serting “should not interfere with”; and

11 (B) by striking “in the energy sector of  
12 Iran” and all that follows through “United  
13 States” and inserting “in the business sector in  
14 Iran, or prohibits or limits any person from en-  
15 gaging in investment activities in the business  
16 sector of Iran, until such time as all Federal  
17 laws that either expressly authorize or require  
18 the imposition of sanctions by the Federal Gov-  
19 ernment on Iran are rescinded by an Act or  
20 Acts of Congress”.

21 (2) Subsection (b) is amended—

22 (A) by amending the subsection heading to  
23 read as follows:

24 “(b) **AUTHORITY TO RESTRICT INVESTMENT IN**  
25 **IRAN.**—”;

1 (B) by striking “may adopt and enforce  
2 measures that meet” and inserting “may—

3 “(1) adopt and enforce measures—

4 “(A) that meet”;

5 (C) by moving the remaining text of sub-  
6 section (b) 4 ems to the right;

7 (D) by striking “subsection (c).” and in-  
8 serting “subsection (e); or”; and

9 (E) by adding at the end the following:

10 “(B) to prohibit or limit any person from  
11 engaging in investment activities in Iran de-  
12 scribed in subsection (c); and

13 “(2) enter into interstate compacts regarding  
14 measures described in paragraph (1).

15 Enforcement of measures under this subsection may in-  
16 clude the imposition of disclosure and other transparency  
17 requirements to carry out paragraph (1).”.

18 (3) Subsection (c) is amended—

19 (A) in paragraph (1)—

20 (i) by striking “\$20,000,000 or more  
21 in the energy sector” and inserting

22 “\$10,000,000 or more—

23 “(A) in the energy sector”;

24 (ii) by moving the remaining text of  
25 paragraph (1) 2 ems to the right; and

1 (iii) by adding at the end the fol-  
2 lowing:

3 “(B) in any other business enterprise in  
4 Iran, including an entity that is owned or con-  
5 trolled by the Government of Iran; or”; and

6 (B) in paragraph (2)—

7 (i) by striking “\$20,000,000” and in-  
8 serting “\$10,000,000”; and

9 (ii) by adding after “energy sector of  
10 Iran” the following: “or otherwise in a  
11 business enterprise in Iran, including an  
12 entity that is owned or controlled by the  
13 Government of Iran”.

14 (4) Subsection (f) is amended to read as fol-  
15 lows:

16 “(f) NONPREEMPTION; NO CONFLICT WITH U.S.  
17 FOREIGN AND INTERNATIONAL COMMERCE POLICY.—A  
18 measure of a State or local government authorized under  
19 subsection (b), (i), or (j)—

20 “(1) is authorized and not preempted by any  
21 Federal law or regulation, or any policy, agreement,  
22 or exercise of waiver authority of the executive  
23 branch; and

24 “(2) is consistent with United States Federal  
25 policy, including United States foreign policy.”.

1           (5) Subsection (g) is amended by adding at the  
2 end the following:

3           “(3) OWN OR CONTROL.—The term ‘own or  
4 control’ means, with respect to an entity—

5                   “(A) to hold more than 20 percent of the  
6 equity interest by vote or value in the entity;

7                   “(B) to hold a majority of seats on the  
8 board of directors of the entity; or

9                   “(C) to otherwise control the actions, poli-  
10 cies, or personnel decisions of the entity.”.

11          (6) Subsection (h) is amended—

12                   (A) in paragraph (1), by striking “or sub-  
13 section (i)” and inserting “and subsections (i)  
14 and (j)”; and

15                   (B) in paragraph (2), by striking “sub-  
16 section (i)” and inserting “subsections (i) and  
17 (j)”.

18          (7) Subsection (i) is amended by adding at the  
19 end the following:

20                   “(3) APPLICABILITY OF PRIOR PROVISIONS.—  
21 Paragraphs (1) and (2) apply with respect to this  
22 section as in effect on the day before the effective  
23 date of the State Sanctions Against Iranian Ter-  
24 rorism Act.”.

25          (8) Section 202 is further amended—

1 (A) by redesignating subsection (j) as sub-  
2 section (k); and

3 (B) by inserting after subsection (i) the  
4 following:

5 “(j) APPLICABILITY OF AMENDMENTS.—

6 “(1) IN GENERAL.—Notwithstanding any other  
7 provision of this section or any other provision of  
8 law, a State or local government may enforce a  
9 measure (without regard to the requirements of sub-  
10 section (d), except as provided in paragraph (2))  
11 adopted by the State or local government before the  
12 date of the enactment of the State Sanctions  
13 Against Iranian Terrorism Act (other than a meas-  
14 ure covered by subsection (i)) that—

15 “(A) provides for the divestment of assets  
16 of the State or local government from, or pro-  
17 hibits the investment of the assets of the State  
18 or local government in, any person that the  
19 State or local government determines, using  
20 credible information available to the public, en-  
21 engages in investment activities in Iran (deter-  
22 mined without regard to subsection (c)) or  
23 other business activities in Iran that are identi-  
24 fied in the measure; or

1           “(B) prohibits or limits any person from  
2           engaging in investment activities in Iran de-  
3           scribed in subsection (c).

4           “(2) APPLICATION OF NOTICE REQUIRE-  
5           MENTS.—A measure described in paragraph (1)  
6           shall be subject to the requirements of paragraphs  
7           (1) and (2) and the first sentence of paragraph (3)  
8           of subsection (d) on and after the date that is 2  
9           years after the date of the enactment of the State  
10          Sanctions Against Iranian Terrorism Act.”.

11          (b) EXEMPTION FROM SUNSET.—Section 401(a) of  
12          the Comprehensive Iran Sanctions, Accountability, and  
13          Divestment Act of 2010 (22 U.S.C. 855(a)) is amended,  
14          in the matter preceding paragraph (1), by striking “sec-  
15          tions 105 and 305” and inserting “sections 105, 202, and  
16          305”.

17          (c) CONFORMING AMENDMENTS.—

18                 (1) The heading for title II of the Comprehen-  
19                 sive Iran Sanctions, Accountability, and Divestment  
20                 Act of 2010 (22 U.S.C. 8531 et seq.) is amended to  
21                 read as follows:

1 **“TITLE II—RESTRICTIONS BY**  
 2 **STATE AND LOCAL GOVERN-**  
 3 **MENTS ON INVESTMENT AC-**  
 4 **TIVITIES IN IRAN”.**

5 (2) The heading for section 202 of the Com-  
 6 prehensive Iran Sanctions, Accountability, and Di-  
 7 vestment Act of 2010 (22 U.S.C. 8532) is amended  
 8 to read as follows:

9 **“SEC. 202. AUTHORITY OF STATE AND LOCAL GOVERN-**  
 10 **MENTS TO RESTRICT INVESTMENT ACTIVI-**  
 11 **TIES IN IRAN.”.**

12 (3) The table of contents of the Comprehensive  
 13 Iran Sanctions, Accountability, and Divestment Act  
 14 of 2010 (22 U.S.C. 8501 et seq.) is amended—

15 (A) by amending the item relating to title  
 16 II to read as follows:

“TITLE II—RESTRICTIONS BY STATE AND LOCAL GOVERNMENTS  
 ON INVESTMENT IN IRAN”;

17 and

18 (B) by amending the item relating to sec-  
 19 tion 202 to read as follows:

“Sec. 202. Authority of State and local governments to restrict investment ac-  
 tivities in Iran.”.

20 **SEC. 3. EFFECTIVE DATE.**

21 The amendments made by this Act shall apply to  
 22 measures adopted by a State or local government on or  
 23 after the date of the enactment of this Act, except as pro-

1 vided in section 202(j) of the Comprehensive Iran Sanc-  
2 tions, Accountability, and Divestment Act of 2010, as  
3 amended by this Act.

○